



PSC NEWS

Missouri Public Service Commission

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FOR IMMEDIATE RELEASE

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NATURAL GAS RATES WILL CHANGE FOR CUSTOMERS OF AQUILA, INC. d/b/a AQUILA NETWORKS----MPS

JEFFERSON CITY--To reflect estimated changes in the cost of natural gas for the remaining summer season, Southern System natural gas customers of Aquila, Inc. d/b/a Aquila Networks-MPS will experience an increase in natural gas rates under a filing which takes effect on July 18, 2005.

Current natural gas market prices are at record levels for this time of year. It is anticipated that wholesale natural gas prices will remain high and could get even higher in the coming months which would further impact customer bills. While natural gas storage levels are higher than average at this time, the price of this stored natural gas is relatively expensive.

Approximately 65% to 80% of a customer's natural gas bill reflects the cost of natural gas from wholesale suppliers. **The wholesale cost of natural gas** (the cost the local natural gas company must pay to its suppliers for natural gas) **is not regulated by the Missouri Public Service Commission.** The wellhead cost of natural gas is unregulated and is primarily driven by supply, demand and the weather. The Missouri Public Service Commission does conduct an annual regulatory review to ensure that regulated gas companies make prudent decisions in securing natural gas supplies for their customers.

An Aquila Southern System residential customer currently pays approximately 74 cents per Ccf (100 cubic feet of gas). Under this filing, the rate will increase to approximately 80 cents per Ccf, an increase of approximately 6 cents per Ccf. Under this filing, natural gas rates for a typical residential customer will increase by a total of approximately \$8.00 for the period of mid-July through October when compared to rates currently in effect.

Aquila, Inc. d/b/a Aquila Networks-MPS serves approximately 32,000 natural gas customers in its Southern System which includes the Missouri counties of Pettis, Platte, Cooper, Ray, Henry, Saline, Johnson, Vernon and Lafayette.